



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

MARY ANN WRIGHT
Acting Division Director

m/c49/c09

March 28, 2005

CERTIFIED MAIL: 7002 0510 0003 8603 3714

Zions Bank
Payson Branch
80 East 100 North
Payson, Utah 84651

Attention: Bonnie Wilcox, Rex Wilkerson, Jeremy White and Malissa Craig

Re: Certificates of Deposit # _____, for \$60,400 #030-930833-6 for \$175,000 and # _____ for \$175,000 held as Reclamation Surety for Chief Consolidated Mining Company

Dear Sirs and Madam:

On September 28, 2000, March 1, 2001 and on March 8, 2002, Zions Bank agreed to hold the certificate of deposits numbers: 030-931018-3, 030-930833-6, and 030-930789-0, for the benefit of the State of Utah, Division of Oil Gas and Mining subject to the terms of the agreement letter. The agreements provide that the "[T]he CD may be *only* be redeemed (i.e., called on demand) pursuant to written instruction or demand of the Director." The agreements further provides that the Owners agree and irrevocably instruct the bank that neither the Owner(s), nor any other person claiming ownership interest in the CD . . . shall have the authority to prevent the Bank from carrying out the Director's instructions to redeem the CD. Further, this agreement provides that "the bank shall release the CD only upon the written instruction of the Director of the Division to the Bank."

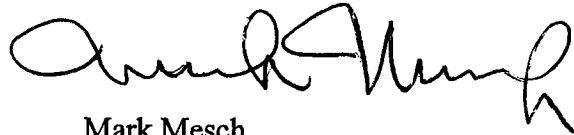
As you are aware, the Division has made telephone inquiry concerning the status of the Certificates held pursuant to this agreement. These inquiries have gone unanswered. Although it would appear to be within the purview of the agreement to make inquiry concerning the status of the accounts, if you require confirmation from the officers of Chief Consolidated Mining Co., you are advised to make those arrangements and to advise the Division.

Currently the Division is unaware of any reason that the Certificates should not be open to the inspection by the Division. If there is any reason that the assurances recited above and relied upon by the Division do not continue to be valid, and if there is any reason that you feel you cannot comply with this request, we ask that a written response be provided to the Division and Chief Consolidated within five (5) days.

If Zions Bank continues in its refusal to provide the Division with confirmation concerning the status of the accounts and the information requested, the Division will exercise its right to redeem the Certificates.

If you have any questions regarding the requirements of this notice, please contact me at (801) 538-5349. Thank you for your cooperation in helping us resolve this surety action.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Mesch', written in a cursive style.

Mark Mesch
Acting Associate Director
Division of Oil, Gas, and Mining

MRM:be:sa

cc: Mary Ann Wright, OGM
Steve Alder, AAG
Lynn Kunzler, OGM
Daron Haddock, OGM
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State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

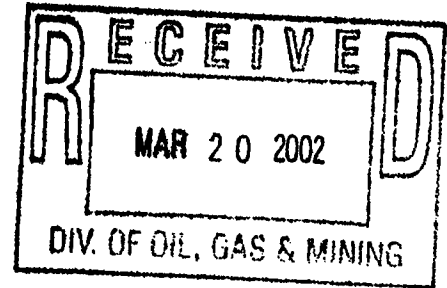
Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

March 8, 2002



Zions Bank
80 East 100 North
P.O. Box 365
Payson, Utah 84651

Attention: Bonnie Wilcox, Customer Service Manager

Re: Reclamation Surety, Certificate of Deposit for Apex/Burgin - Dry Stack Tailings Mine Site,
M/049/009, Utah County, Utah
Certificate of Deposit no. _____ Principal Amount \$60,400.00

This letter describes the mutually agreed upon instructions of the below signed parties to Zions Bank ("Bank"), regarding the control, redemption, and release of Bank's above-described certificate of deposit ("CD"), which is being used as a surety to guarantee the availability of reclamation funds for the Apex/Burgin - Dry Stack Tailings mine site ("Mine Site"), Utah County, Utah. It is the intention of the parties that the CD be utilized as surety to guarantee that \$60,400.00 in reclamation funds will be available to the State of Utah, Division of Oil, Gas & Mining ("Division") upon demand in the event that the operator(s) of the Mine Site are unable or unwilling to complete reclamation of the mine site in compliance with state law and regulations (Title 40-8-14(7), and Rules R647-4-114 & R647-5-101).

Ownership and Renewal:

Ownership of the CD is retained by Chief Consolidated Mining Co., an Arizona corporation, ("Owners"), but it is held by Bank for the benefit of the State of Utah, Division of Oil, Gas & Mining and is subject to the terms and conditions described in this agreement. The CD shall automatically renew indefinitely until either redeemed or released by the Director of the Division.

Redemption:

The CD may only be redeemed (i.e., called on demand), pursuant to the written instruction or demand of the Director of the Utah Division of Oil, Gas & Mining to the Bank. Upon the instruction and demand of the Director, the full initial amount of the CD shall be transferred to the State of Utah, Division of Oil Gas and Mining. Owners agree and irrevocably instruct Bank that neither the Owner(s), nor any other person claiming an ownership interest in the CD which is derived from the Owners, shall have the authority to prevent the Bank from carrying out the Director's instruction to redeem the CD. Upon redemption, any accrued interest in excess of the initial amount of the CD shall be transferred to Owners' control, or if Owners do not instruct the Bank, the accrued interest shall be reinvested in the CD. If a signature card is

prepared, it shall be drafted consistent with the requirement that only the Director of the Division may redeem the CD.

Release:

The bank shall release the CD only upon the written instruction of the Director of the Division to the Bank. Upon release, the terms and conditions of this agreement are no longer in effect, and the unconditioned control of the CD shall be returned to the Owners, or their legal successors-in-interest.

Accrued Interest:

Prior to release or redemption, all interest which accrues by the CD shall be 1) dispersed quarterly to the Owner(s) as the Owner(s) may instruct the Bank, or 2) shall be reinvested in the CD until such time the Owner(s) may instruct the Bank where to transfer such interest. In no event shall the Bank transfer any amount from the CD which would cause the redemption amount of the CD to be less than the initial amount, \$ 60,400.00. All tax liabilities for accrued interest shall remain the responsibility of the Owners.

Bank will not be held liable for any dispute between the parties.

Agreed Upon By:

Lowell P Braxton
Lowell P. Braxton, Director
Utah Division of Oil, Gas & Mining

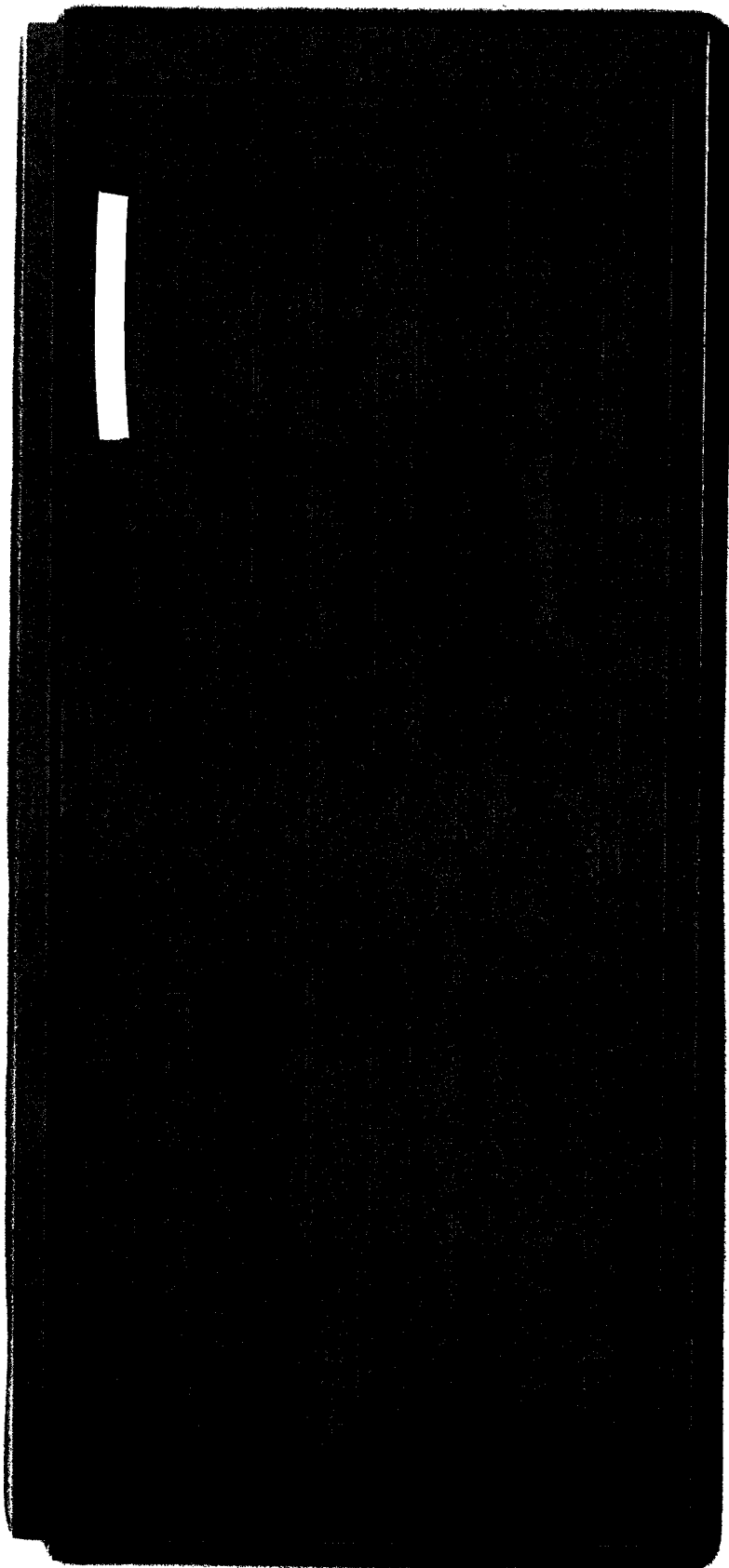
Date: 8/6/02

John E. Henderson
John E. Henderson, Secretary & Treasurer
Chief Consolidated Mining Company
Tax ID Number:

Date: 3/8/02

Bonnie Wilson - CSM
Name and Title of Bank Officer

Date: 3-8-02





State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

March 1, 2001

Zions Bank
Payson Branch
80 East 100 North
Payson, Utah 84651

RECEIVED

MAR 13 2001

DIV OF OIL GAS & MINING

Attention: Rex Wilkerson, Branch Manager

Re: Reclamation Surety, Certificate of Deposit for Chief Consolidated Mining Company and Tintic Utah Metals, LLC, Burgin Mine Site, M/049/009, Utah County, Utah
Certificates of Deposit no. 1 d 1 Principal Amount \$350,000.

This letter describes the mutually agreed upon instructions of the below signed parties to Zions Bank (Bank), regarding the control, redemption, and release of Bank's above-described certificates of deposit (CD), which is being used as a surety to guarantee the availability of reclamation funds for the Apex/Burgin mine site, Utah County, Utah (Mine Site). It is the intention of the parties that the CD be utilized as surety to guarantee that \$350,000 in reclamation funds will be available to the State of Utah, Division of Oil, Gas & Mining (Division) upon demand in the event that the operator(s) of the Mine Site are unable or unwilling to complete reclamation of the mine site in compliance with state law and regulations (Title 40-8-14(7), and Rules R647-4-114 & R647-5-101).

Ownership and Renewal:

Ownership of the CD is retained by Chief Consolidated Mining Company an Arizona corporation, and Tintic Utah Metals, LLC, a Colorado corporation (collectively "Owners"), but it is held by Bank for the benefit of the State of Utah, Division of Oil, Gas & Mining and is subject to the terms and conditions described in this agreement. The CD shall automatically renew indefinitely until either redeemed or released by the Director of the Division.

Redemption:

The CD may only be redeemed (i.e., called on demand), pursuant to the written instruction or demand of the Director of the Utah Division of Oil, Gas & Mining to the Bank. Upon the instruction and demand of

the Director, the full initial amount of the CD shall be transferred to the State of Utah, Division of Oil Gas and Mining. Owners agree and irrevocably instruct Bank that neither the Owner(s), nor any other person claiming an ownership interest in the CD which is derived from the Owners, shall have the authority to prevent the Bank from carrying out the Director's instruction to redeem the CD. Upon redemption, any accrued interest in excess of the initial amount of the CD shall be transferred to Owners' control, or if Owners do not instruct the Bank, the accrued interest shall be reinvested in the CD. If a signature card is prepared, it shall be drafted consistent with the requirement that only the Director of the Division may redeem the CD.

Release:

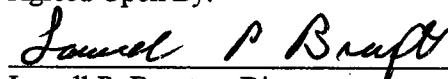
The bank shall release the CD only upon the written instruction of the Director of the Division to the Bank. Upon release, the terms and conditions of this agreement are no longer in effect, and the unconditioned control of the CD shall be returned to the Owners, or their legal successors-in-interest.

Accrued Interest:

Prior to release or redemption, all interest which accrues by the CD shall be 1) dispersed quarterly to the Owner(s) as the Owner(s) may instruct the Bank, or 2) shall be reinvested in the CD until such time the Owner(s) may instruct the Bank where to transfer such interest. In no event shall the Bank transfer any amount from the CD which would cause the redemption amount of the CD to be less than the initial amount, \$350,000. All tax liabilities for accrued interest shall remain the responsibility of the Owners.

Bank will not be held liable for any dispute between the parties.

Agreed Upon By:

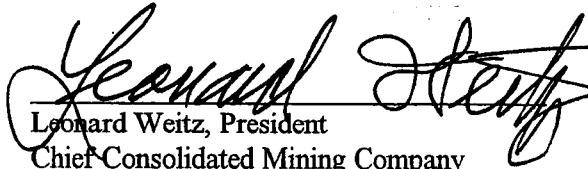


Lowell P. Braxton, Director

Utah Division of Oil, Gas & Mining

Tax ID Number: _____

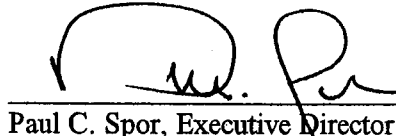
Date: 3/20/01



Leonard Weitz, President
Chief Consolidated Mining Company

Tax ID Number: _____

Date: MARCH 13, 2001



Paul C. Spor, Executive Director

Tintic Utah Metals, LLC

Tax ID Number: _____

Date: March 12, 2001

COPY

IONS BANK

DEPOSIT CONFIRMATION

ACCOUNT NUMBER [REDACTED]

STATE OF [REDACTED]

Amount \$25,000.00

Payment Frequency ☐ At Maturity ☒ Annually ☐ Semi-Annually ☐ Quarterly

Payment Method ☐ Add to Existing Account ☒ New Account

Signature [Signature]

COPY

IONS BANK

DEPOSIT CONFIRMATION

ACCOUNT NUMBER [REDACTED]

STATE OF [REDACTED]

Amount \$25,000.00

Term 05.03

Payment Frequency ☐ At Maturity ☒ Annually ☐ Semi-Annually ☐ Quarterly

Payment Method ☐ Add to Existing Account ☒ New Account

Signature [Signature]